

TRANSMISSION COMPANY OF NIGERIA (TCN)

INDEPENDENT SYSTEM OPERATOR

Notice of Lifting Suspension Order

(Order: TCN/ISO/MO/2019/004)

**Issued against Ikeja Electricity Distribution Company Before the Market Operator,
Independent System Operator, Transmission Company of Nigeria.**

**In the matter of non-compliance with the conditions of Market Rules and Market
Participation Agreements.**

WHEREAS:

1. Ikeja Electricity Distribution Company (IKEDC) was suspended from the Market Operator Administered Market due

to
an
EVENT
OF
DEFAULT.
IKEDC
was
noticed
of
this
EVENT
OF
DEFAULT
by
a
NOTICE
OF
EVENT
OF
DEFAULT
(NED/2019/003)
dated
May
24,
2019.

2. In line with Section 45.3.7 of the Market Rules IKEDC was issued a “Notice of Intent to Issue
S
uspension
Order
(NIISO/2019/003)”
dated
May
31
st
,

2019
indicating
the
intention
of
the
Market
Operator
to
suspend
IKEDC
from
the
Market
Operator
Administered
Market
and
restrict
some
of
its
rights
in
the
Market
Operator
Administered
Market.
IKEDC
was
also
reminded
of
its
right
pursuant
to
Section
45.3.8
to
request
a
hearing
before
the

Market
Operator
to
show
cause
why
the
Market
Operator
should
not
issue
a
Suspension
Order
or
Disconnection
Order
against
it.

3. IKEDC responded to the “Notice of Intent to Issue Suspension Order (NIISO/2019/003)”date
d May 31st, 2019 with
in th
e
5
days
or
2
Business
Days
stipulated
by
the
Market
Rules
by
forwarding
a
Bank
Guarantee
issued
on
its

behalf
by
Zenith
Bank
on
June
3,
2019.
The
Bank
Guarantee
dated
June
3,
2019
was
received
on
June
6,
2019.

4. The Market Operator deemed the Bank Guarantee issued by Zenith Bank on behalf of IKEDC
C
ufficient
and
this
which
was
communicated
to
IKEDC.
The
Market
Operator
requested
IKEDC
to
provide
an

adequate
Security
Cover
within
a
specified
period
in
a
letter
dated
June
13,
2019
or
risk
suspension.

5. IKEDC did not provide an adequate Security Cover within the stipulated time.

6. Based on Markets Rules 45.3.9, 45.3.12 and 45.3.13, the Market Operator suspended IKEDC
C
m
Market
Operator
Administered
Markets.
fro

7. IKEDC has now forwarded a new Bank Guarantee, issued on its behalf by Zenith Bank, to the Market Operator.
The Bank Guarantee dated June 27, 2019 was received on July 1, 2019.

8. The Market Operator deems the Bank Guarantee adequate.

9. Market Rules 45.3.11 states that:

“The Market Operator shall lift a Suspension Order issued pursuant to Rule 45.3, if the Event of Default in respect of which it was issued is remedied and there are no other subsisting Events of Default with respect to the Suspended Participant, provided that the Market Operator may

y
,
upon
lifting
the
Suspension
Order
r
,
impose
such
conditions
on
the
authorisation
of
the
Participant
to
participate
in
the
Market
Operator
Administered
Market
as
it
deems
appropriate
including,
but
not
limited
to:

(a) establishing a lower trading limit in respect of the Participant than would otherwise be applicable
to
the

Participant
under
these
Rules;

(b) establishing a more frequent continuing schedule of payments than would otherwise be applicable to the Participant under these Rules;
or

(c) Imposing more stringent Prudential Requirements than would otherwise be applicable to the Participant under Rule 15.3.”

10. Based on Market Rules 45.3.11, the Market Operator hereby notices the Transmission Service Provider of the Transmission System Operator,

other
P
articipants
and
the
General
Public
that:

(a) the Market Operator Order TCN/ISO/MO/004 suspending Ikeja Electricity Distribution Company from the Market Operator Administered Markets is hereby lifted.

BY THE NOTICE OF THE MARKET OPERATOR DATED THIS 2nd DAY OF JULY 2019

Engr. E.A. EJE MARKET OPERATOR

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